



[7590-01-P]

## NUCLEAR REGULATORY COMMISSION

[EA-14-013; NRC-2014-0175]

### In the Matter of Entergy Nuclear Operations

**AGENCY:** Nuclear Regulatory Commission

**ACTION:** Confirmatory order; issuance.

**SUMMARY:** The U.S. Nuclear Regulatory Commission (NRC) is issuing a confirmatory order to Entergy Nuclear Operations, Inc., confirming agreements reached in an Alternative Dispute Resolution session held on May 15, 2014. As part of the agreement, Entergy will take actions to verify security staff and management training credentials, strengthen its safety culture, present the issue at industry meetings, set standards for security senior management and perform an independent effectiveness review. Entergy is also required to notify the NRC periodically of the status of its efforts.

**DATES:** *Issue Date:* July 21, 2014.

**ADDRESSES:** Please refer to Docket ID **NRC-2014-0175** when contacting the NRC about the availability of information regarding this document. You may obtain publicly-available information related to this action by the following methods:

- **Federal Rulemaking Web Site:** Go to <http://www.regulations.gov> and search for Docket ID **NRC-2014-0175**. Address questions about NRC dockets to Carol Gallagher; telephone: 301-287-3422; e-mail: [Carol.Gallagher@nrc.gov](mailto:Carol.Gallagher@nrc.gov). For questions about this Order, contact the individual listed in the FOR FURTHER INFORMATION CONTACT section of this document.

- **NRC's Agencywide Documents Access and Management System (ADAMS):**

You may access publicly available documents online in the NRC Library at

<http://www.nrc.gov/reading-rm/adams.html>. To begin the search, select "[ADAMS Public Documents](#)" and then select "[Begin Web-based ADAMS Search](#)." For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1-800-397-4209, 301-415-4737, or by e-mail to [pdr.resource@nrc.gov](mailto:pdr.resource@nrc.gov). The ADAMS accession number for each document referenced in this document (if that document is available in ADAMS) is provided the first time that a document is referenced.

- **NRC's PDR:** You may examine and purchase copies of public documents at the NRC's PDR, Room O1-F21, One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852.

**FOR FURTHER INFORMATION CONTACT:** Patricia Lougheed, Region III, U.S. Nuclear Regulatory Commission, Washington DC 20555-0001; telephone: 630 810-4376, e-mail: [Patricia.Lougheed@nrc.gov](mailto:Patricia.Lougheed@nrc.gov).

**SUPPLEMENTARY INFORMATION:** The text of the Order is attached.

Dated at Lisle, Illinois, this 21<sup>st</sup> day of July 2014.

For the Nuclear Regulatory Commission.

Cynthia D. Pederson  
Regional Administrator

**Attachment – CONFIRMATORY ORDER MODIFYING LICENSE**

**NUCLEAR REGULATORY COMMISSION**

In the Matter of	)	
	)	Docket No. 05000255
Entergy Nuclear Operations, Inc.	)	License No. DPR-20
Palisades Nuclear Plant	)	EA-14-013

**CONFIRMATORY ORDER MODIFYING LICENSE**

**I**

Entergy Nuclear Operations, Inc., (Licensee or Entergy) is the holder of Reactor Operating License No. DPR-20 issued by the U.S. Nuclear Regulatory Commission (NRC or Commission) pursuant to Title 10 of the Code of Federal Regulations (10 CFR) Part 50 on March 24, 1971, and renewed on January 17, 2007. The license authorizes the operation of the Palisades Nuclear Plant in accordance with conditions specified therein.

This Confirmatory Order is the result of an agreement reached during an alternative dispute resolution (ADR) mediation session conducted on May 15, 2014.

**II**

On May 10, 2013, the NRC Office of Investigations (OI), Region III Field Office initiated an investigation to determine whether employees at the Palisades Nuclear Plant (Palisades) willfully failed to follow the security plan requirements, when a security manager assigned a security operations supervisor to perform duties without confirming whether the supervisor had the appropriate qualifications. The investigation also assessed whether the security operations supervisor assumed those duties as requested. The investigation was completed on

January 9, 2014, and was documented in OI Report No. 3-2013-018. The investigation concluded that both the security manager and the security operations supervisor willfully violated 10 CFR Part 73, Appendix B, II B., "Qualification Requirements" and Palisades Security Plan Section 3.1.

Specifically, in mid-December 2012, a supervisory security individual at Palisades requested leave for Christmas Eve. In order to grant at least part of the individual's request, a security manager requested a security operations supervisor to fill two hours of the individual's shift. At multiple times during the conversation, the security operations supervisor informed the security manager that his technical supervisory qualifications were not completed. The security manager acknowledged that he was aware that the security operations supervisor's qualifications were not completed. However, the security manager stated that he believed that only meant the security operations supervisor was not qualified to perform one particular job function, and he stated that the security operations supervisor would not need to perform that job function during the two hours where he would be filling in for the other supervisor. Neither the security manager nor the security operations supervisor verified the qualifications for the position despite a site requirement to check qualifications before assigning or assuming posts. The security manager stated that he did not review the security plan or check with anyone on the security operations supervisor's qualifications until the end of April after two condition reports were written questioning the decision. The security operations supervisor stated that he relied upon what the security manager told him, as to why it was acceptable to assume the post. The security operations supervisor also said that he was not challenged on his qualifications prior to assuming the post, although that was a routine practice.

Both the security manager and the security operations supervisor failed to verify the security operations supervisor's qualification for a position prior to having him assume that position for

two hours on December 24, 2012. The NRC determined that this was a violation of 10 CFR Part 73, Appendix B, II B., "Qualification Requirements" and Palisades Security Plan Section 3.1. Specifically, 10 CFR Part 73, Appendix B, II B., "Qualification Requirements" requires that each person who performs security-related job tasks or job duties required to implement the licensee physical security or contingency plan shall, prior to being assigned to duties, be qualified in accordance with the licensee's NRC-approved training and qualifications plan.

Section 3.1 of the Palisades Nuclear Plant Physical Security Plan, Appendix B, Revision 14, required, in part, that each individual assigned duties and responsibilities identified in the security plans, licensee protective strategy, and implementing procedures must before assignment: (1) be trained and qualified to perform assigned duties and responsibilities in accordance with the requirements of the training and qualification plan; (2) meet the minimum qualification requirements of the training and qualification plan; and (3) be trained and qualified in the use of all equipment or devices required to effectively perform all assigned duties and responsibilities.

On May 15, 2014, Entergy and the NRC met in an ADR session mediated by a professional mediator, arranged through Cornell University's Institute on Conflict Resolution. ADR is a process in which a neutral mediator with no decision-making authority assists the parties in reaching an agreement on resolving any differences regarding the dispute. This confirmatory order is issued pursuant to the agreement reached during the ADR process.

### III

In response to the NRC's offer, Entergy requested use of the NRC ADR process to resolve differences it had with the NRC. During the ADR session held on May 15, 2014, a preliminary settlement agreement was reached. The elements of the agreement, as signed by both parties, consisted of the following:

A. Verification of Training Credentials for Both Staff and Management:

A.1 Conduct fleet-wide review of qualifications of each duty position in security to ensure that the qualifications for each position are clear and verifiable by all parties (security officers, security supervisors, and security manager). The initial review and applicable procedure revisions shall be completed by November 30, 2014.

A.2 Verify and modify, if necessary, the applicable security procedure to ensure that both assignor and assignee validate qualifications before the assignee performs a duty position. This shall be completed by November 30, 2014.

A.3 Following completion of A.1 and A.2, training will be conducted on the changes. This shall be completed by June 30, 2015.

B. Strengthen Safety Culture: (1) Leadership, Safety Values, & Actions; (2) Problem Identification & Resolution; (3) Personal Accountability; (4) Work Processes; (5) Environment for Raising Concerns; and (6) Questioning Attitude & Proceeding In the Face of Uncertainty:

B.1 As part of its Security Safety Conscious Work Environment (SCWE) Action Plan, Entergy has completed the following actions at Palisades:

- Each Security Shift Supervisor has signed and posted a SCWE Commitment letter. (Completed March 6, 2014)
- Security management conducted refresher training for each security shift emphasizing the reporting of concerns, the drafting of Condition Reports (CRs), the Corrective Action Program (CAP), and the expectation of feedback on CRs. (Completed February 24, 2014)
- A volunteer from each security team was assigned as an ombudsman to provide security department members with a readily available and familiar person to whom they can raise concerns. Security management briefed the department on the new security ombudsman program and related activities. (Completed March 31, 2014)
- The Director, Regulatory & Performance Improvement, developed a security department “dashboard” of SCWE-related indicators, such as, CAP usage, the number and content of anonymous CRs, CAP backlog, average age of open CRs, employee concern program (ECP) usage, on-site NRC allegations, and security equipment status. (Completed March 7, 2014)

B.2 As part of its SCWE Action Plan, Entergy has committed to the following actions at Palisades. These actions are hereby incorporated into the Confirmatory Order:

- Through June 30, 2016, the Palisades Security Manager shall meet quarterly (during the calendar quarter, allowing for one month grace period) with each security team: (a) to reinforce the importance of a healthy SCWE and management's intolerance for retaliation, and (b) to discuss security concerns and issue resolution.
- Through June 30, 2016, security management shall maintain and update a "Security Top 10 Issues" board to reflect, among other things, the expected issues resolution dates.

B.3 Revise procedure EN-LI-102 to ensure that the Condition Review Group (CRG) chair considers whether the person assigned is sufficiently independent. This applies to condition reports that have challenges to a decision or a resolution that is highly dependent on a single individual. A "read and sign" will be provided to each CRG chair to inform them of the procedure revision. The procedure will be revised by November 30, 2014, and the "read and sign" training will be completed by January 31, 2015.

B.4.a Conduct a case study for supervisors and above throughout the fleet that highlights safety culture aspects of the event: questioning attitude, proceeding in the face of uncertainty, procedure compliance, and responsiveness to employee concerns. The case study will be developed and conducted by June 30, 2015.

B.4.b Discuss the safety culture aspects of the issue with Entergy and long-term contract staff at three monthly tailgate meetings. The tailgate meetings shall include employee rights, licensee expectations with respect to raising issues, methods to raise issues, and the right to contact the NRC. The action will be completed by December 31, 2014.

C. Recognition by the Reactor Community:

C.1 Entergy Fleet Director of Nuclear Security shall make a presentation to an industry security working group on this event. The licensee will provide the NRC an opportunity to review the presentation. This shall be accomplished by December 31, 2014.

C.2 Entergy shall make a related presentation at a broad industry meeting(s) that covers all four regions beyond security organizations. This shall be accomplished by June 30, 2015.

D. Setting Standards for Security Senior Management:

Entergy shall revise EN-FAP-HR-006 to include specific requirements for Security Manager selection and development. This shall be accomplished by December 31, 2014.

E. Effectiveness Review:

Entergy shall arrange for an independent effectiveness review of the actions discussed in sections A and B. The review will be conducted no earlier than one year, but less than two years, from the issuance date of the Confirmatory Order.

F. Notification of NRC When Actions Are Completed:

F.1. Unless otherwise specified, Entergy will submit written notification by letter to the NRC staff, specifically, the Director, Division of Reactor Safety, 2443 Warrenville Road, Lisle, IL, 60532, at intervals of six months, one year, and annually thereafter until the terms of the Confirmatory Order are completed, providing a status of each item in the Confirmatory Order.

F.2. Upon completion of all terms of the Confirmatory Order, Entergy will provide the NRC with a letter discussing its basis for concluding that the Order has been satisfied.

G. Administrative Items:

G.1 The NRC and Entergy agree that the issues described above resulted in an individual inappropriately holding a position for which he was not qualified, contrary to the requirements of 10 CFR Part 73, Appendix B, II B., "Qualification Requirements" and the Palisades Security Plan. Entergy does not agree that the violation was committed willfully, and on this point, the parties agree to disagree.

- G.2 The NRC will issue a green finding with a cross-cutting aspect in the area of H.13, "Consistent Process," but in consideration of the commitments delineated above, the NRC agrees to refrain from issuing a Notice of Violation or proposing a civil penalty for all matters discussed in the NRC's letter of March 25, 2014 (EA-14-013).
- G.3 The NRC considers the corrective actions and enhancements discussed above to be appropriately prompt and comprehensive to address the causes which gave rise to the incident discussed in the NRC's letter of March 25, 2014 (EA-14-013).
- G.4 The NRC will consider the Confirmatory Order as an escalated enforcement action.
- G.5 This agreement is binding upon successors and assigns of Entergy.

On July 14, 2014, Entergy consented to issuing this Confirmatory Order with the commitments, as described in Section V below. Entergy further agreed that this Confirmatory Order is to be effective 30 days after issuance of the Confirmatory Order and that it has waived its right to a hearing.

#### IV

Since the licensee has agreed to take additional actions to address NRC concerns, as set forth in Section III above, the NRC has concluded that its concerns can be resolved through issuance of this Confirmatory Order.

I find that Entergy's commitments as set forth in Section V are acceptable and necessary and conclude that with these commitments the public health and safety are reasonably assured. In view of the foregoing, I have determined that public health and safety require that Entergy's commitments be confirmed by this Confirmatory Order. Based on the above and Entergy's consent, this Confirmatory Order is effective 30 days after issuance of the Confirmatory Order.

#### V

Accordingly, pursuant to Sections 104b, 161b, 161i, 161o, 182, and 186 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR 2.202 and 10 CFR Part 50, IT IS HEREBY ORDERED THAT THE ACTIONS DESCRIBED BELOW WILL BE TAKEN AT PALISADES NUCLEAR PLANT AND OTHER NUCLEAR PLANTS IN ENTERGY'S FLEET AND THAT LICENSE NO. DPR-20 IS MODIFIED AS FOLLOWS WITH RESPECT TO THE ACTIONS TO BE TAKEN AT THE PALISADES NUCLEAR PLANT:

A. Verification of Training Credentials for both Staff and Management:

- A.1 Conduct fleet-wide review of qualifications of each duty position in security to ensure that the qualifications for each position are clear and verifiable by all parties (security officers, security supervisors, and security manager). The initial

review and applicable procedure revisions shall be completed by November 30, 2014.

A.2 Verify and modify, if necessary, the applicable security procedure to ensure that both assignor and assignee validate qualifications before the assignee performs a duty position. This shall be completed by November 30, 2014.

A.3 Following completion of A.1 and A.2, training will be conducted on the changes. This shall be completed by June 30, 2015.

B. Strengthen Safety Culture:

B.1 Through June 30, 2016, the Palisades Security Manager shall meet quarterly (during the calendar quarter, allowing for one month grace period) with each security team: (a) to reinforce the importance of a healthy SCWE and management's intolerance for retaliation, and (b) to discuss security concerns and issue resolution.

B.2 Through June 30, 2016, Palisades security management shall maintain and update a "Security Top 10 Issues" board to reflect, among other things, the expected issues resolution dates.

B.3 Discuss the safety culture aspects of the event with Palisades Nuclear Plant staff, including long-term contract staff, in three monthly tailgate meetings. The tailgate meetings shall include employee rights, licensee expectations with respect to

raising issues, methods to raise issues, and the right to contact the NRC. The tailgate meetings will be completed by December 31, 2014.

- B.4 Revise procedure EN-LI-102 to ensure that the Condition Review Group (CRG) chair considers whether the person assigned is sufficiently independent. This applies to condition reports that have challenges to a decision or a resolution that is highly dependent on a single individual. A “read and sign” will be provided to each Entergy (fleet-wide) CRG chair to inform them of the procedure revision. The procedure will be revised by November 30, 2014, and the “read and sign” training will be completed by January 31, 2015.
- B.5 Conduct a case study for supervisors and above throughout the Entergy fleet that highlights safety culture aspects of the event: questioning attitude, proceeding in the face of uncertainty, procedure compliance, and responsiveness to employee concerns. The case study will be developed and conducted by June 30, 2015.

C. Recognition by the Reactor Community:

- C.1 Entergy Fleet Director of Nuclear Security shall make a presentation to an industry security working group on this event. The licensee will provide the NRC an opportunity to review the presentation. The presentation shall be accomplished by December 31, 2014.
- C.2 Entergy shall make a related presentation at a broad industry meeting aimed at an audience beyond the security organizations and covering all four NRC regions. It is acceptable to make the presentation at multiple meetings, if

deemed necessary to reach the desired audience. The presentations shall be accomplished by June 30, 2015.

D. Setting Standards for Security Senior Management:

Entergy shall revise procedure EN-FAP-HR-006 to include specific requirements for Security Manager selection and development. This shall be accomplished by December 31, 2014.

E. Effectiveness Review:

Entergy shall arrange for an independent effectiveness review of the actions discussed in sections A and B. The review will be conducted no earlier than one year, but less than two years, from the issuance date of the Confirmatory Order.

F. Notification of NRC When Actions Are Completed:

F.1. Unless otherwise specified, Entergy will submit written notification by letter to the NRC staff, specifically, the Director, Division of Reactor Safety, 2443 Warrenville Road, Lisle, IL, 60532, at intervals of six months, one year, and annually thereafter until the terms of the Confirmatory Order are completed, providing a status of each item in the Confirmatory Order.

F.2. Upon completion of all terms of the Confirmatory Order, Entergy will provide the NRC with a letter discussing its basis for concluding that the Order has been satisfied.

The Regional Administrator, Region III, may, in writing, relax or rescind any of the above conditions upon demonstration by the Licensee of good cause.

## VI

Any person adversely affected by this Confirmatory Order, other than Entergy Nuclear Operations, Inc., may request a hearing within 30 days of the issuance date of this Confirmatory Order. Where good cause is shown, consideration will be given to extending the time to request a hearing. A request for extension of time must be directed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, and include a statement of good cause for the extension.

All documents filed in NRC adjudicatory proceedings, including a request for hearing, a petition for leave to intervene, any motion or other document filed in the proceeding prior to the submission of a request for hearing or petition to intervene, and documents filed by interested governmental entities participating under 10 CFR 2.315(c), must be filed in accordance with the NRC's E-Filing rule (72 FR 49139; August 28, 2007), as amended by 77 FR 46562; August 3, 2012 (codified in pertinent part at 10 CFR Part 2, Subpart C). The E-Filing process requires participants to submit and serve all adjudicatory documents over the internet, or in some cases to mail copies on electronic storage media. Participants may not submit paper copies of their filings unless they seek an exemption in accordance with the procedures described below.

To comply with the procedural requirements of E-Filing, at least 10 days prior to the filing deadline, the participant should contact the Office of the Secretary by e-mail at [hearing.docket@nrc.gov](mailto:hearing.docket@nrc.gov), or by telephone at 301-415-1677, to (1) request a digital (ID)

certificate, which allows the participant (or its counsel or representative) to digitally sign documents and access the E-Submittal server for any proceeding in which it is participating; and (2) advise the Secretary that the participant will be submitting a request or petition for hearing (even in instances in which the participant, or its counsel or representative, already holds an NRC-issued digital ID certificate). Based upon this information, the Secretary will establish an electronic docket for the hearing in this proceeding if the Secretary has not already established an electronic docket.

Information about applying for a digital ID certificate is available on NRC's public Web site at <http://www.nrc.gov/site-help/e-submittals/getting-started.html>. System requirements for accessing the E-Submittal server are detailed in NRC's "Guidance for Electronic Submission," which is available on the agency's public Web site at <http://www.nrc.gov/site-help/e-submittals.html>. Participants may attempt to use other software not listed on the Web site, but should note that the NRC's E-Filing system does not support unlisted software, and the NRC Meta System Help Desk will not be able to offer assistance in using unlisted software.

If a participant is electronically submitting a document to the NRC in accordance with the E-Filing rule, the participant must file the document using the NRC's online, Web-based submission form. In order to serve documents through the Electronic Information Exchange System, users will be required to install a Web browser plug-in from the NRC's Web site. Further information on the Web-based submission form, including the installation of the Web browser plug-in, is available on the NRC's public Web site at <http://www.nrc.gov/site-help/e-submittals.html>.

Once a participant has obtained a digital ID certificate and a docket has been created, the participant can then submit a request for hearing or petition for leave to intervene through the

EIE. Submissions should be in Portable Document Format (PDF) in accordance with NRC guidance available on the NRC's public Web site at <http://www.nrc.gov/site-help/e-submittals.html>. A filing is considered complete at the time the documents are submitted through the NRC's E-Filing system. To be timely, an electronic filing must be submitted to the E-Filing system no later than 11:59 p.m. Eastern Time (ET) on the due date. Upon receipt of a transmission, the E-Filing system time-stamps the document and sends the submitter an e-mail notice confirming receipt of the document. The E-Filing system also distributes an e-mail notice that provides access to the document to the NRC's Office of the General Counsel and any others who have advised the Office of the Secretary that they wish to participate in the proceeding, so that the filer need not serve the documents on those participants separately. Therefore, any others who wish to participate in the proceeding (or their counsel or representative) must apply for and receive a digital ID certificate before a hearing request/petition to intervene is filed so that they can obtain access to the document via the E-Filing system.

A person filing electronically using the NRC's adjudicatory E-Filing system may seek assistance by contacting the NRC Meta System Help Desk through the "Contact Us" link located on the NRC's Web site at <http://www.nrc.gov/site-help/e-submittals.html>, by e-mail at [MSHD.Resource@nrc.gov](mailto:MSHD.Resource@nrc.gov), or by a toll-free call at 1-866-672-7640. The NRC Meta System Help Desk is available between 8:00 a.m. and 8:00 p.m., ET, Monday through Friday, excluding government holidays.

Participants who believe that they have a good cause for not submitting documents electronically must file an exemption request, in accordance with 10 CFR 2.302(g), with their initial paper filing requesting authorization to continue to submit documents in paper format. Such filings must be submitted by: (1) first class mail addressed to the Office of the Secretary

of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemaking and Adjudications Staff; or (2) courier, express mail, or expedited delivery service to the Office of the Secretary, Sixteenth Floor, One White Flint North, 11555 Rockville Pike, Rockville, Maryland, 20852, Attention: Rulemaking and Adjudications Staff. Participants filing a document in this manner are responsible for serving the document on all other participants. Filing is considered complete by first-class mail as of the time of deposit in the mail, or by courier, express mail, or expedited delivery service upon depositing the document with the provider of the service. A presiding officer, having granted an exemption request from using E-Filing, may require a participant or party to use E-Filing if the presiding officer subsequently determines that the reason for granting the exemption from use of E-Filing no longer exists.

Documents submitted in adjudicatory proceedings will appear in the NRC's electronic hearing docket, which is available to the public at <http://ehd1.nrc.gov/ehd/>, unless excluded pursuant to an order of the Commission or the presiding officer. Participants are requested not to include personal privacy information, such as social security numbers, home addresses, or home phone numbers in their filings, unless an NRC regulation or other law requires submission of such information. With respect to copyrighted works, participants are requested not to include copyrighted materials in their submission, except for limited excerpts that serve the purpose of the adjudicatory filings and would constitute a Fair Use application.

If a person other than the licensee requests a hearing, that person shall set forth with particularity the manner in which his interest is adversely affected by this Confirmatory Order and shall address the criteria set forth in 10 CFR 2.309(d) and (f).

If a hearing is requested by a person whose interest is adversely affected, the Commission will issue a separate Order designating the time and place of any hearings, as appropriate. If a hearing is held, the issue to be considered at such hearing shall be whether this Confirmatory Order should be sustained.

In the absence of any request for hearing, or written approval of an extension of time in which to request a hearing, the provisions specified in Section IV above shall be effective and final 30 days after issuance of the Confirmatory Order without further order or proceedings. If an extension of time for requesting a hearing has been approved, the provisions specified in Section V shall be final when the extension expires if a hearing request has not been received.

Dated at Lisle, Illinois this 21<sup>st</sup> day of July 2014  
For the Nuclear Regulatory Commission

Cynthia D. Pederson,  
Regional Administrator.

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am; Publication Date: 07/30/2014]